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Special Articles

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Conditions in the West.

By Miss E. Cora Hind.

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The Preference.

IF THE British Government and Parliament adopt the policy of preferential trade within the Empire they will be following the example set by Canada, the policy adopted here in 1897 and still maintained, and therefore one that will naturally be acceptable to Canadians, who may be flattered by the knowledge that the Mother Country follows their leadership. The fact that a committee, headed by Lord Balfour of Burleigh, has recommended such a policy certainly gives the preferential movement a stronger position in Great Britain than it has hitherto occupied. Nevertheless, those in Canada who look upon the question as virtually settled by the committee's report may be too hasty in their conclusions. Though the preferential idea may seem to be more popular than formerly, and though it is quite probable that the Imperial Conference will confirm the preferential resolution of earlier conferences, there are still difficulties to be overcome that may prove insuperable.

Definite action by Parliament will doubtless be postponed until after the war. When the moment comes for such action the advocates of preference will again meet the rock which has repeatedly wrecked the movement. The rock is the question of food duties. If only the question of duties on manufactures had to be considered, the preferential system would, in all probability, have been adopted in the days when Mr. Joseph Chamberlain gave it his powerful advocacy. The strong free traders would, doubtless, have opposed it, but in that form the proposal might have been made attractive to the masses. But the first step in the making of an effective preferential tariff had to be the imposing of taxes on foreign foodstuffs, in order that the products of the Colonies might be admitted free or at reduced rate. Many advocates of preference tried to satisfy themselves that the system could be applied to other things and that the duties on foodstuffs were not a necessary feature of the new policy. Mr. Chamberlain, however, did not allow himself to be deceived on that point. He saw clearly that food duties were a necessary part of the new movement and he boldly supported them when many of his associates were endeavoring to avoid that feature of the subject. Take the case, for instance, of Canada, which had, on this question, given a lead to the Empire. Mr. Chamberlain realized that, at a time when Canadian manufacturers admitted they could not hold their home markets without the aid of protective duties, it would be absurd to expect them to look for any considerable market for their wares in Great Britain, even under a preferential tariff system. The chief things produced in Canada for export were foodstuffs. A preference on these over the similar goods from

foreign countries might be beneficial to the Canadian producer. At all events such a policy might be expected to find favor with the Canadians. But if foodstuffs were to be free from all quarters where would be the preference to Canada or any other part of the Empire producing such things?

Mr. Chamberlain, faced by this difficulty, met it boldly by declaring for a duty on foreign foodstuffs. For a short time after the South African war, as one of the after-the-war measures for the raising of revenue, there was a small duty on wheat. The existence of this duty strengthened the hands of the preference advocates, who claimed that while it was all right to impose this tax on foreign wheat, the wheat from the Colonies should be exempted. The Chancellor of the Exchequer of that day apparently felt the embarrassment of the situation and found the most convenient solution of the problem in the abolition of the wheat duty. If there was no duty on foreign wheat there was no ground for a claim of exemption for the Colonial product. It was that step that led to Mr. Chamberlain's retirement from the Cabinet.

Mr. Chamberlain courageously supported the preferential movement, but the question of the food duties proved, at every stage, an obstacle that could not be overcome. A large part of the people of the United Kingdom were living under conditions that made the cost of food a vital question to them. Consequently the opponents of preference, resting their case largely on a protest against the taxation of food, were able to command the support of the masses of the people. That the attitude of the British Liberals on this question played a large part in giving them their long lease of power, is beyond doubt.

It is assumed, in some quarters, that the situation has now changed and that the preference system is to be quickly adopted, but as we have already said, this may be an unwarrantable conclusion. At a moment like the present, when the high cost of food is one of the gravest questions of the day, it is not to be assumed that anybody in a responsible position would propose to put new taxes on food. When the question comes up, as it will, at a later stage, the "dear loaf" is not likely to lose its power as an effective argument to the masses of the British people. The report of Lord Balfour of Burleigh's committee, while it revives interest in the subject, by no means settles the difficulties which have appeared in past days.

Canadians, adhering as they do to the principle of preference, will doubtless be pleased to receive the benefit of the principle if it be voluntarily adopted in England. There will, however, be few Canadians who will desire to press the matter as an essential feature of Imperial policy. The point of view of the British workman, if he adheres to it, is entitled to re-